

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 L-03 FRB-03 OMB-01

ITC-01 SP-02 USIA-06 AGRE-00 AID-05 CIAE-00

COME-00 INR-07 LAB-04 NSAE-00 OIC-02 EPG-02

SIL-01 STR-04 TRSE-00 CEA-01 GSA-02 NSC-05 SS-15

INT-05 /102 W

-----005458 210446Z /13

R 202142Z JUL 77

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 4182

INFO USMISSION GENEVA

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E.O. 11652: N/A

TAGS: EMIN, UNCTAD, IEGC, CA

SUBJECT: UNCTAD/COPPER: CANADIAN COMMENT ON US-PROPOSED
SPECIFICATIONS FOR COPPER STABILIZATION FEASIBILITY STUDY

REF: A. STATE 135120 B. STATE 167972

1. EXTAFF OFFICIAL JEAN TREMBLAY PROVIDED EMBASSY WITH
FOLLOWING MESSAGE TO CANADIAN MISSION GENEVA DATED JULY 13
WHICH OUTLINES GOC REACTION TO USG PROPOSAL TRANSMITTED
REFTELS. TREMBLAY SAID GOC COMMENTS WOULD BE PASSED TO
USDEL IN GENEVA

2. BEGIN TEXT: UNCTAD: COPPER: EXPERT GROUP STUDY

A. WE HAVE EXAMINED USA PAPER TOGETHER WITH INDUSTRY REP-
RESENTATIVES IN ORDER TO DEVELOP CDN APPROACH TO NATURE
OF STUDY AND HOW IT MIGHT BEST BE UNDERTAKEN. WHILE
WE ARE NOT/NOT IN POSITION TO COMMENT IN DETAIL UNTIL
OUR OWN WORK IS FURTHER ADVANCED, FOLLOWING POINTS MIGHT
BE HELPFUL TO USA.

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B. WE AGREE THAT ORGANIZATION OF STUDY INTO TWO PARTS
HAS MERIT AND PRESUME THAT USA IDEA IS THAT PART ONE WLD
BE CONDUCTED BY CONSULTANTS WITH UNCTAD SECT WHILE PART
TWO OF OUTLINE WLD BE UNDERTAKEN BY EXPERT GROUP ITSELF.
AS A GENERAL POINT, AN IMPORTANT QUESTION IN SETTING UP
STUDY IS TIME AVAILABLE AS EXPERT GROUP IS CALLED UPON

TO REPORT BY END OF NOV. SCOPE OF STUDY WILL NEED THEREFORE TO BE DESIGNED ACCORDINGLY IF IT IS TO HAVE DESIRED IMPACT ON EXPERT GROUP REPORT AND RECOMMENDATIONS OF PREP MTG. OUR IMPRESSION IS THAT USA OUTLINE WLD REQUIRE LONGER THAN 2-3 MONTHS AVAILABLE.

C. AS REGARDS PART ONE, WHILE WE AGREE WITH USING AN EXISTING MODEL IF SUITABLE ONE IS AVAILABLE, IT IS IMPORTANT TO BEAR IN MIND THAT STUDY WILL BE CONDUCTED BY NEITHER GOVT NOR INDUSTRY COPPER DECISION MAKERS. ACCORDINGLY, AND IN VIEW OF TIME CONSTRAINT, IT MIGHT BE MORE PRODUCTIVE AND MORE MANAGEABLE TO GIVE FAIRLY SPECIFIC ASSIGNMENT TO CONSULTANTS WHICH IS (AND IS SEEN TO BE) DIRECTLY RELEVANT TO EXPERT GROUP MANDATE.

D. SUCH AN ASSIGNMENT CLD TAKE FOLLOWING FORM: TO CONDUCT SERIES OF COMPUTER RUNS ON APPROPRIATE MODEL OF WORLD COPPER ECONOMY FOR EACH OF: A PURE B.S. SCHEME; A PURE SUPPLY MANAGEMENT SCHEME; A BUFFER STOCK PLUS SUPPLY MANAGEMENT MEASURES. PURPOSE OF SUCH RUNS FOR EACH OF THESE SCHEMES WLD BE TO DETERMINE FOLLOWING, CONSISTENT WITH OBJECTIVE OF PRICE STABILIZATION: - UNDER PURE BS SCHEME, SIZES REQUIRED; --
- UNDER PURE SUPPLY MANAGEMENT SCHEME, DEGREE OF EXPORT AND/OR PRODUCTION CONTROL REQUIRED EG ANTICIPATED PERCENTAGE CUTBACKS OF FORECASTED CAPACITY. (THIS WLD BE DONE ON LIMITED OFFICIAL USE

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GLOBAL BASIS NOT/NOT COUNTRY BY COUNTRY.)
- UNDER BS AND SUPPLY MANAGEMENT, COMBINATION OF ABOVE SUCH RUNS SHLD BE CARRIED OUT WITH ALTERNATIVE MIDPOINT PRICES EG 60/65/70/75/80/85/90/95/100 CENTS/LB AND PRICE FLUCTUATIONS LIMITED TO 10/15/20/25 PERCENT ABOVE AND BELOW MIDPOINT PRICES, WITH RESULTS OF THESE RUNS AS BASIS, CONSULTANTS WLD PROCEED TO REPORT ON: INITIAL COSTS, OPERATIONAL REQUIREMENTS PARTICULARLY BS OPERATIONS; EFFECTS ON PRODUCTION CYCLE INCLUDING SCRAP, COPRODUCTION; EFFECTS ON CONSUMPTION INCLUDING SUBSTITUTION; EFFECTS ON COMMODITY MARKETS; EFFECTS ON TRADE IN VARIOUS COPPER FORMS OTHER THAN REFINED, CONCENTRATE, BLISTER, RODS, ETC. AND RELATIONSHIP TO LONG TERM PRICE TREND, IN ABSENCE OF MARKET INTERVENTION.

E. FOR THIS PART OF STUDY WE WONDER IF THERE MIGHT BE A CASE FOR MONITORING, THROUGH SOME PROCEDURE, CONSULTANTS WORK AS IT DEVELOPS. ONE POSSIBILITY WLD BE TO SET UP SUB-GROUP COMPRISED OF SMALL REPRESENTATIVE NUMBER OF EITHER GOVT OR INDUSTRY EXPERTS. SUCH A GROUP CLD MEET WITH CONSULTANTS PRIOR TO BEGINNING OF STUDY AND PERHAPS AT SOME POINT DURING STUDY TO REFINE ASSIGNMENT IN LIGHT

OF PROGRESS AND IF REQUIRED EFFECT ANY MID-COURSE
CORRECTIONS.

F. AS TO SECOND PART OF STUDY, WE WLD THINK EXPERT GROUP
IN ANALYSING AND INTERPRETING CONSULTANT WORK WLD FOCUS
UPON QUESTIONS SUCH AS LEGAL AND SOCIAL RAMIFICATIONS OF
ALTERNATIVE SCHEMES; EFFECTS UPON CLIMATE; POTENTIAL
STIMULATIVE EFFECT UPON SUPPLY; MONITORING AND INFORMATION
REQUIREMENTS AND PROCEDURES.

G. USA WILL APPRECIATE OUR PREPARATIONS ARE IN PRELIMINARY
FORM AT THIS STAGE AND WE SHALL BE DEVELOPING OUR APPROACH
IN MORE DETAIL CLOSER TO MTG. END TEXT. ENDERS

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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Sent Date: 20-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Expiration:
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From: OTTAWA
Handling Restrictions: n/a
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ISecure: 1
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Litigation Codes:
Litigation History:
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